

From: Bettyann Welch
To: Bettyann Welch
Date: Sat, Feb 9, 2003 9:57 AM
Subject: Proposed FCC Changes Cost Consumers

Message sent to the following recipients:

Senator DeWine
Senator Voinovich
Representative Regula
Message text follows:

Bettyann Welch
1471 Troy Rd
Ashland, OH 44805-1354

February 9, 2003

[recipient address was inserted here]

[recipient name was inserted here],

The Federal Communications Commission is considering taking actions that will restrict consumer choice by deregulating local phone service.

Millions of Americans like me could have their phone service threatened if the local phone companies aren't required to allow competitors access to the market. I'm also concerned about the Commission's move to relieve all broadband Internet access facilities of open access obligations.

Both of these key decisions will limit my choices as a consumer by lessening competition, diminishing cost savings and threatening consumer protections. As a constituent, I urge you to support competition and open access for local phone service.

Sincerely,

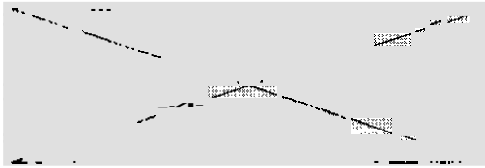
Bettyann Welch

From: Bill Oberlin
To: Mike Powell
Date: Thu, Feb 6, 2003 2:53 PM
Subject: UNE-P rules

From: Bill Oberlin
To: Mike Powell
Date: Thu, Feb 6, 2003 3:00 PM
Subject: UNE-P rules

Dear Mr. Chairman,

<<FCC letter- Powell 2.doc>> Please take a few minutes to read this letter. Thank You!



February 5, 2003

Chairman Michael K. Powell
Federal Communications Commission
445 12th Street SW
Washington, DC **20554**

Dear Mr. Chairman;

As you know, there are varying opinions regarding the integrity of UNE-P federal regulation and if it does in fact benefit consumers through investment, innovation and competition throughout all telecommunications markets. The answer is yes, and **BullsEye** Telecom along with our customers can validate its benefits.

BullsEye Telecom acquired over 1,000 T1 and DSL data customers in the Metropolitan Detroit area between 1999 and **2000** by offering services the ILECs have chosen not to provide - such as metered T1 billing and Target Reports both of which track the amount and type of Internet usage. We then responded to the changes in the telecommunications market and embarked on our next unique service offering that would complete the needs of our current and future customers- local and long distance telephone service. Offering local services via the UNE-P platform and basing our business plan on these rules originated by the Telecommunications Act of 1996, we've spent millions of dollars and copious amounts of human talent/resources in developing systems and tools that will benefit the small to medium sized business owner - a large market segment which is continually overlooked and under-served by ILECs. Our motivation to satisfy our customers and the technological innovations that have been achieved include:

Advanced Systems

- "Electronically integrated" back-office that includes automated provisioning, order entry and tracking with the ILEC - giving our customers the services they want with no interruptions during the transition
- Integrated billing system that automatically downloads a customer's order once provisioning is complete - ensuring 100% billing accuracy on invoices that are easy to understand AND can be viewed and paid on-line
- With these systems there is little need for human intervention- decreasing the chance of human error

Innovative Services

- Call Detail Records (CDRs) can be received with the invoice via the US mail, or accessed on-line to view, download and sort in ways that make sense for our customer to analyze calling patterns

- Specialized reporting analyzes a customer's usage by line and/or by account in order to map calling patterns, determine if they are utilizing services to their full potential or to make recommendations for change
- On-line account management that allows a customer to move, add or change service configurations 24-hours a day

Increased Customer Service

- **All** in-bound calls into Customer Service are answered, by a human, via a team of ten representatives supporting over 30,000 telephone lines
- Repair records are tracked and analyzed to determine if there is an outstanding repair or a pattern of repeated requests surrounding a common issue

Value

- Typically, we save customers up to 30% on their telephone bills while providing the extra customer services and benefits they don't receive from the ILECs

It is this *innovation* and *customer satisfaction* that has lead to our growth and is making BullsEye Telecom not only the provider of choice for the small and medium sized business in the former five-state Ameritech region, but also a national provider for multi-location corporations. This unique niche has been made possible due to our abilities to provide corporate billing and a seamless transition of services across *state* and *ILEC* borders. **In** addition, because we can provide local, local toll and long distance services we give corporations consolidated invoices, summarized reporting and the convenience of having one point of contact for all their telecommunication needs.

BullsEye Telecom has successfully given our customers innovative, affordable services they need to effectively manage their business. If you were to change UNE-P regulations innovation may stop, competition may be impaired and in many cases these small and medium size businesses will no longer **have** a choice. The fact is that ILECs -regardless of their large financial and human resources -will not spend the time or money like BullsEye Telecom has to meet the needs of these business owners.

In conclusion, it would be a gross injustice to the consumers of the United States to revoke any aspect of UNE-P regulations or that part of the Telecommunications Act of **1996**. You will be forcing consumers to go back to the ILECs, to give up unique service and to pay higher fees for substandard service. In an already strapped economy, I find it hard to believe the FCC would find this in the best interest of the consumer.

Sincerely,

William H. Oherlin

CEO

From: Bjorn Ahlin
To: Bjorn Ahlin
Date: Fri, Feb 7, 2003 8:05 PM
Subject: Proposed FCC Changes Cost Consumers

Message sent to the following recipients:

Senator Edwards

Representative Taylor

Message text follows:

Bjorn Ahlin
503 Crowfields Lane
Asheville, NC 28803

February 7, 2003

[recipient address was inserted here]

[recipient name was inserted here],

The Federal Communications Commission is considering taking actions that will restrict consumer choice by deregulating local phone service.

Millions of Americans like me could have their phone service threatened if the local phone companies aren't required to allow competitors access to the market. I'm also concerned about the Commission's move to relieve all broadband Internet access facilities of open access obligations.

Both of these key decisions will limit my choices as a consumer by lessening competition, diminishing cost savings and threatening consumer protections. As a constituent, I urge you to support competition and open **access** for local phone service.

Sincerely,

Bjorn Ahlin

From: Bob Deeb
To: Mike Powell
Date: Thu, Feb 6, 2003 10:06 AM
Subject: UNEP

CORNERSTONE

TELEPHONE COMPANY

[Feb. 6, 2003]

Dear Chairman **Michael K. Powell**,

I ask your support for the continued availability of the "UNE-Platform."

My company, Cornerstone Telephone Company, offers local telephone service in New York State. The company has achieved increasing success largely because it utilizes the combination of "unbundled network elements" – the UNE-Platform – to serve customers. It is absolutely critical that we have continued access to the UNE-Platform to remain competitive.

Unfortunately, the Regional Bell Operating Companies have launched a full-scale attack on the UNE-Platform, realizing it is a major threat to their continued market dominance. Their strategy is to impose certain restrictions on individual network elements that would destroy the competitive value of the UNE-Platform. If the RBOCs succeed, it will all but end any chance for consumers to enjoy the benefits of meaningful competition in local phone service.

Please oppose any effort that will limit the availability of the UNE-Platform. The UNE-Platform should be firmly and permanently established as a viable service option for competitive telecom carriers.

Thank you very much for your time and attention to this important matter.

Sincerely,

Robert G. Deeb
Agent Manager
Cornerstone Telephone Company

From: Dan Carmody
To: Mike Powell
Date: Thu, Feb 6, 2003 11:00 AM
Subject: UNE-P

As a consumer I am appalled with the way the Reform Act of 1996 has been treated by the FCC and the RBOC, hand in hand bringing about the ruin of many start up companies due to the uncertainty of regulation and how authorities will effect the Law. I was abused by SBC as a business consumer when we switched to birch, a CLEC. They disconnected lines where they knew they were not supposed to, they disconnected service and made it hard on Birch to provide us the service we needed. Eventually we had to switch back to SBC just to avoid potential for service disruption. **We** have 20 lines.

UNE was branded as the way to bring about meaningful competition. Your oversight has been whip sawing providers, the investment community, and consumers. Please put this to rest once and for all **so** we can go about the future knowing what is going to be allowed and what is not going **to** be tolerated. Support the future of UNE-P and the CLEC industry. Do not allow the RBOC to push the law to the wayside. Consumers, investors, and small businesses need an open architecture, open switches, and access to the last mile at a reasonable and fair rate.

Dan Carmody
San Antonio, Texas
210-821-5080 Ext. 132

From: Dan Howe
To: Dan Howe
Date: Sat, Feb 8, 2003 5:01 AM
Subject: Proposed FCC Changes Cost Consumers

Message sent to the following recipients:

Senator Levin
Senator Stabenow
Representative Camp
Message text follows:

Dan Howe
20485 Mack Dr
Big Rapids, MI 49307

February 8, 2003

[recipient address was inserted here]

[recipient name was inserted here],

The Federal Communications Commission is considering taking actions that will restrict consumer choice by deregulating local phone service.

Millions of Americans like me could have their phone service threatened if the local phone companies aren't required to allow competitors access to the market. I'm also concerned about the Commission's move to relieve all broadband Internet access facilities of open access obligations.

Both of these key decisions will limit my choices as a consumer by lessening competition, diminishing cost savings and threatening consumer protections. As a constituent, I urge you to support competition and open access for local phone service.

Sincerely,

Dan Howe

From: Daniel Washington
To: Daniel Washington
Date: Fri, Feb 7, 2003 6:38 AM
Subject: Proposed FCC Changes Cost Consumers

Message sent to the following recipients:

Senator Hutchison

Representative Jackson **Lee**

Message text follows:

Daniel Washington
4413 Lyons Avenue
Houston. TX 77020-2646

February 7, 2003

[recipient address was inserted here]

[recipient name was inserted here],

The Federal Communications Commission is considering taking actions that will restrict consumer choice by deregulating local phone service.

Millions of Americans like me could have their phone service threatened if the local phone companies aren't required to allow competitors access to the market. I'm also concerned about the Commission's move to relieve all broadband Internet access facilities of open access obligations.

Both of these key decisions will limit my choices as a consumer by lessening competition, diminishing cost savings and threatening consumer protections. **As** a constituent, I urge you to support competition and open access for local phone service.

Sincerely,

Daniel A. Washington

From: Daniel Buckley
To: Daniel Buckley
Date: Fri, Feb 7, 2003 11:35 AM
Subject: Proposed FCC Changes Cost Consumers

Message sent to the following recipients:

Senator Frist
Representative Gordon
Message text follows:

Daniel Buckley
206 Railroad St. # 22
Livingston, TN 38570

February 7, 2003

[recipient address was inserted here]

[recipient name was inserted here],

The Federal Communications Commission is considering taking actions that will restrict consumer choice by deregulating local phone service.

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Sincerely,

Daniel A Buckley

From: Daniel Mannheim
To: Daniel Mannheim
Date: Fri, Feb 7, 2003 11:44 AM
Subject: Proposed FCC Changes Cost Consumers

Message sent to the following recipients:

Senator Graham
Senator Nelson
Representative Mica
Message text follows:

Daniel Mannheim
247 Shady Hollow
Casselberry, FL 327074337

February 7, 2003

[recipient address was inserted here]

[recipient name was inserted here],

The Federal Communications Commission is considering taking actions that will restrict consumer choice by deregulating local phone service.

Millions of Americans like me could have their phone service threatened if the local phone companies aren't required to allow competitors access to the market. I'm also concerned about the Commission's move to relieve all broadband Internet access facilities of open access obligations.

Both of these key decisions will limit my choices as a consumer by lessening competition, diminishing cost savings and threatening consumer protections. As a constituent, I urge you to support competition and open access for local phone service.

Sincerely,

Dan Mannheim

From: Danny Tucker
To: Danny Tucker
Date: Thu, Feb 6, 2003 8:21 PM
Subject: Proposed FCC Changes Cost Consumers

Message sent to the following recipients:

Senator Dole

Message text follows:

Danny Tucker
3052 juniper ch rd
Four Oaks, NC 27524

February 6, 2003

[recipient address was inserted here]

[recipient name was inserted here],

The Federal Communications Commission is considering taking action that will restrict consumer choice by deregulating local phone service.

Millions of Americans like me could have their phone service threatened if the local phone companies aren't required to allow competitors access to the market. I'm also concerned about the Commission's move to relieve all broadband Internet access facilities of open access obligations.

Both of these key decisions will limit my choices as a consumer by lessening competition, diminishing cost savings and threatening consumer protections. As a constituent, I urge you to support competition and open access for local phone service.

Sincerely,

Danny Ray Tucker

From: David Costello
To: David Costello
Date: Sun, Feb 9, 2003 7:42 PM
Subject: Proposed FCC Changes Cost Consumers

Message sent to the following recipients:

Senator Specter
Senator Santorum
Representative Pitts
Message text follows:

David Costello
9 Ridgeview Dr.
Quarryville, PA 17566

February 9, 2003

[recipient address was inserted here]

[recipient name was inserted here],

The Federal Communications Commission is considering taking actions that will restrict consumer choice by deregulating local phone service.

Millions of Americans like me could have their phone service threatened if the local phone companies aren't required to allow competitors access to the market. I'm also concerned about the Commission's move to relieve all broadband Internet access facilities of open access obligations.

Both of these key decisions will limit my choices as a consumer by lessening competition, diminishing cost savings and threatening consumer protections. As a constituent, I urge you to support competition and open access for local phone service.

Sincerely,

David Costello

From: David F. Hofstatter
To: Commissioner Adelstein
Date: Thu, Feb 6, 2003 5:00 PM
Subject: Comments to the Commissioner

David F. Hofstatter (dfh@callwave.com) writes:

The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20054

Re: Triennial Review of the Commission's Unbundling Rules (CC Docket Nos. 96-98, 98-147, 01-338)

Dear Chairman Powell,

I am writing to you as President and founder of CallWave, an innovative facilities-based CLEC. Our current flagship CallWave service is the market leader in Internet Call Waiting and location-independent Internet Call Delivery. These popular consumer services were created with innovative softswitching technology that value-adds unbundled network elements such as call forwarding. As a "value added reseller" of network elements, we are enjoying a viable CLEC business model in all 50 states and are producing high margin wholesale revenues for our ILEC suppliers. Therefore we have a direct business interest in FCC unbundling rules.

We understand that you have made remarks to the effect that UNE-P pure resale is a negative. We agree, but for reasons that you may not have heard from the ILEC community. Subsidized UNE-P rebundling actually blocks CallWave's ability to offer its facilities-based innovative services to end customers of these UNE-P CLECs. Unlike the ILECs, UNE-P CLECs are not required to make the network elements of their customers' lines available to third party innovators such as CallWave.

In addition, as you are aware, these pure resale CLECs are generally disincentivized from investing in value-added services, as they are focused on resale of the ILEC's old bundle. The result is that customers of such UNE-P CLECs are actually more isolated from innovations like CallWave's than are customers of the ILECs. In fact, with the conversion of roughly 3% of U.S. homes to UNE-P providers, roughly 3% of CallWave's millions of installed residential customers have had their CallWave service abruptly (and without notice) disabled when they switched from their ILEC to one of the UNE-P plans.

In other words, although UNE-P CLECs look like competition, they are not competing on the basis of services innovation, and worse yet, they are not required to allow third parties to bring innovation. This is a bad result from a well-intentioned Act.

Therefore, we support your skepticism regarding the effects of UNE-P, but we still believe (and CallWave's product actively demonstrates) that the availability of individual unbundled elements, under both the '96 Act, and previously under Computer Inquiry III, is a critical spur to innovation.

Please see <http://www.callwave.com/company/> for additional information supporting the above. I look forward to meeting you next month at Lawrence Lessig's spectrum meeting at Stanford.

Sincerely,

David F. Hofstatter
President and Founder
CallWave, Inc.

136 W. Canon Perdido Street
Santa Barbara, CA 93101
8056904111 Phone
805 690 4211 Fax

cc:

The Honorable Kathleen Q Abernathy
The Honorable Michael J. Copps
The Honorable Kevin J. Martin
The Honorable Jonathan S. Adelstein

Server protocol: HTTP/1.1
Remote host: 63.77.208.4
Remote IP address: 63.77.208.4

From: David G. Wilming
To: Mike Powell
Date: Thu, Feb 6, 2003 9:43 AM
Subject: UNE-P

Dear Chairman Michael K. Powell:

I am writing to urge your support of the UNEs and the UNE-Platform and stress its importance to local phone competition, consumer choice, and the small business economy.

Sincerely,

David G Wilming

This message may contain confidential and trade secret information and is subject to the Economic Espionage Act of 1996. For recipient's use only. If you have received this message in error, please delete immediately, and alert the sender.

From: David Horta
To: David Horta
Date: Sat, Feb 8, 2003 11:58 PM
Subject: Proposed FCC Changes Cost Consumers

Message sent to the following recipients:

Senator Graham
Senator Nelson
Representative Wexler

Message text follows:

David Horta
370 nw 76th Avenue apt 107
Margate, FL 330634822

February 9, 2003

[recipient address was inserted here]

[recipient name was inserted here],

The Federal Communications Commission is considering taking actions that will restrict consumer choice by deregulating local phone service.

Millions of Americans like me could have their phone service threatened if the local phone companies aren't required to allow competitors access to the market. I'm also concerned about the Commission's move to relieve all broadband Internet access facilities of open access obligations.

Both of these key decisions will limit my choices as a consumer by lessening competition, diminishing cost savings and threatening consumer protections. As a constituent, I urge you to support competition and open access for local phone service.

Sincerely,

David Horta

From: David Ison
To: David Ison
Date: Thu, Feb 6, 2003 2:54 PM
Subject: Proposed FCC Changes Cost Consumers

Message sent to the following recipients:

Senator Nickles
Senator Inhofe
Representative Carson
Message text follows:

David Ison
31701 S 603 Road, Dogwood Hills
Grove, OK 74344

February 6, 2003

[recipient address was inserted here]

[recipient name was inserted here],

The Federal Communications Commission is considering taking actions that will restrict consumer choice by deregulating local phone service.

Millions of Americans like me could have their phone service threatened if the local phone companies aren't required to allow competitors access to the market. I'm also concerned about the Commission's move to relieve all broadband Internet access facilities of open access obligations.

Both of these key decisions will limit my choices as a consumer by lessening competition, diminishing cost savings and threatening consumer protections. As a constituent, I urge you to support competition and open access for local phone service.

Sincerely,

David L. Ison, Grove Oklahoma

From: David McClure
To: Mike Powell
Date: Wed, Feb 5, 2003 8:32 PM
Subject: UNEP, PLEASE make certain it's not injured by your review this month!

Feb. 5th, 2003

Dear Commissioner Powell and all FCC Commissioners:

YOU NOW HAVE AN HISTORIC OPPORTUNITY TO LOCK IN THE ONLY TRULY WIDELY-AVAILABLE VEHICLE FOR LOCAL PHONE COMPETITION THE UNITED STATES HAS EVER SEEN. PLEASE give your full support to continued availability of the "UNE-Platform."

My company, TeleCom Consultants, Inc., based in Alabama, offers local telephone service since just after the passage of the 1996 Telecom Act in the 48 contiguous states to our small & medium Business and Residential clients. We have also offered long distance since early 1990 and high-speed Internet the last several years, so we have 13 years experience in the industry. We are indeed an "advocate" for the unheard masses of smaller businesses and individual consumers who haven't the time nor knowledge - and definitely not the lobbying money - to make themselves heard by you and the Congress as the giant ILECs do constantly, in Washington and the various state PUCs. Lest you think we're another "front" for a large CLEC who feeds us piles of lobbying money, please feel free to call my office at 256-830-4549 or my cell at 256-348-2907, or stop by in Huntsville, AL and see us! We're just a small firm with 5 official employees and several hundred independent Agent Sales Affiliates spread around the country. but we'll fix a nice lunch and a good cup of Joe for you, or already-sweet iced Tea in the summer if you drop by. We help one small business or homeowner at a time try to figure out the complicated world of telecom and what will be best for them. I'm just taking several minutes away from my selling time to send you this plea on this highly urgent matter.

We represent many Suppliers to our clients, much as an independent Insurance Agent represents many different Insurance companies, helping them choose which CLEC or ILEC has the best service in their area. as well as the best pricing & availability. In most rural areas, even 7 years after the Telecom Act, our clients have zero choice, or maybe 1 or 2 options for their services other than the old Monopoly ILEC provider - and the savings they can realize are weak, usually only 10-15% off the ILEC prices. And rural broadband in most areas is very expensive or non-existent (except for the new Satellite services just now starting to be offered, which we're pleased about being able to sell now).

While much of the telecom industry imploded the last 2 years, my firm has seen exponential growth far greater than ever in our 13 years during each of the last 2 years. The reason for this added success is largely due to the Suppliers for which we primarily market, and their UNE Platform programs. To maintain this market momentum and remain competitive, to be able to reach critical mass where it becomes feasible and profitable to build their own facilities in areas/Central Offices where they have sufficient concentrations of customers, it is absolutely critical that our CLEC Suppliers have continued access to the

UNE-Platform

The rural area UNEP rates should be required to be reduced, not increased as the Bells are requesting! Historically, the RBOCs have provided the same or lower retail per-line **costs** to rural end-users than to urban end-users, which obviously isn't cost-based. It costs RBOCs much more to maintain/ install lines in rural areas, but they averaged the cost over all areas, **so** it was much easier for the many urban customers to pay slightly more on their many lines than for rural customers to pay FAR more on their few lines, a good plan that worked. So why do all the RBOCs discount far more to the CLECs on the UNE Platform in the metro markets than in the rural areas? Why do **so** many UNEP CLECs now offer service **ONLY** in Zone 1 or Zones 1-2 (large urban) areas and will not serve rural clients at all? And the CLECs who **DO** now offer service in the rural areas only provide maybe a **10-15%** discount to the end users? Simply because the discount off RBOC retail rates is very small on the UNE Platform in rural areas, **so** the CLECs cannot afford to discount much, nor pay **us** much to go **see/sell** those clients. Shouldn't the UNE discounts also be averaged, **so** the urban areas get a slightly smaller UNEP discount and the rural areas get the same, just as was always done with RBOC retail pricing? Do we really want to leave all the rural customers with little or no choices and very small savings possible, if any?

We do now have RBOCs who have some true, serious facilities-based competition in major metro, and even some Tier 2 and Tier 3, cities. My firm sells for over a dozen of those CLECs, and we love dealing with several of them. But many are struggling just to pay the huge debt load incurred to build what network they do have. Many others are already stiffing investors for Billions (and not paying **us** Agents who got the accounts away from the RBOCs for the CLECs to begin with!!), through Bankruptcy. Those competing physical networks are why - the **ONLY** real reason in my opinion, other than the requirements placed on RBOCs (thank goodness) by Regulators such as yourselves and the PUC/PSCs - that RBOCs do offer a significant discount in metro areas on the UNEP. RBOCs know that if the CLECs can offer a sizable discount to an end-user while allowing them to remain on the incumbent's network, the RBOC may not lose them to a totally separate network, but if the discount is small to the CLEC, the end-user gets a small discount offered from a UNEP CLEC, the client sees MUCH larger savings from a Facilities-CLEC and Boom, they're gone to a separate network.

But in rural areas, the RBOCs know they still have virtually no facilities competition **so** they purposely offer very little discount to UNEP CLECs. Again, the rural clients are being left out in the cold.

Originally, beginning in **1996**, as I'm sure you're aware, the RBOCs only offered CLECs the Resale Platform (TSR), offering only the minimum required discounts on resale of **17% - 21%** in most states. After only a small, not-very-compelling **5% - 10%** discount to the end user and an equally non-compelling **5%** commission to **us**, the Suppliers usually had just enough margin left to cover most of their operating expenses and only lose a small amount of money - on every customer they enrolled!! Therefore few CLEC Suppliers even offered resale local service, fewer still had much success gaining clients (and many of those few clients were chased off by the RBOCs fouling up the end-user's services after cutover & blaming the CLEC! - I have documented proof of case after case where this occurred). Then as **UNEP** was required, with mandated much larger discounts to the CLECs during the last 2-3 years, we have seen **MANY** more solid offerings from many more CLECs with sizable enough discounts/savings to the end users, usually **20% - 45%**, and large enough commissions that my salespeople can make a real, decent living. And yet, after passing more savings to the end users and more commissions to my firm / my sales personnel, these UNEP CLEC Suppliers are still able to, when efficiently run (as many of them are now), maintain enough Customer Care staff to answer the phone with live, well-trained personnel in under a minute of hold time - **JUST** the sort of excellent service clients want, in addition to the savings. **UNEP** **IS**

THE ONLY REASON MOST OF THESE SUPPLIERS CAN DO THIS AND MAKE AN ACTUAL PROFIT.

Unfortunately, the Regional Bell Operating Companies have launched a full-scale attack on the UNE-Platform, realizing it is a major threat to their continued market dominance. Their strategy is to impose certain restrictions on individual network elements that would destroy the competitive value of the UNE-Platform. If the RBOCs succeed, it will all but end any chance for consumers to enjoy the benefits of meaningful competition in local phone service. Certainly it will slow the growth of competition back to the snail's pace we saw in 1996 - 2000, or worse.

I've heard & read in trade journals many comments, usually from RBOC personnel or supporters, that as long as UNEP rates are kept low, all or most CLECs will simply opt to stay fully on the UNE Platform and never build their own facilities, therefore never providing innovative new services, pricing, etc. to American end-users. Absolute hogwash. Exactly the opposite is true. Simply review history and you can see a very similar situation in the long-distance industry de-regulation. When I began in **telecom** in early **1990**, about 6 years after the break-up of ATBT and **Bell**, we could not even port **800** numbers, much less local line numbers. And ATBT still had **90+% of** the long-distance market share over 6 years after the Breakup. ATBT clobbered themselves for years fighting the ability of resellers to **use** their network, buying it at wholesale cost and reselling at a profit. Yet Regulators such as yourselves, your predecessors, stuck to the plan and forced ATBT to allow resale at reasonable discounts where resellers could make a profit. Larger hybrids, such as MCI & Sprint, **appeared/grew** shortly after the **1984** Breakup, owning facilities on some routes and reselling minutes on others. As they gained market share, they buried more fiber. Smaller resellers grew and began building more networks, from regional to worldwide, then resellers began buying wholesale from the newer networks instead of ATBT, which forced ATBT - by MARKET PRESSURE, finally - to lower their wholesale rates to remain competitive **so** they didn't lose all the business to separate networks. instead just losing their own retail business to their own wholesale, which was the smaller **loss**.

Was this fair of America? To require a company to allow resale of its network when it didn't want to? And at rates low enough where competitors could flourish? Certainly it was, in light of the fact that America had just protected ATBT from all competition for **100** years until it had become a wildly profitable behemoth. If ATBT had reached that point in the face of full competition, that would have been a very different story. SO, now we have an almost identical situation with the RBOCs. They were protected from all competition for over **100** years, allowed to become almost insurmountably powerful - and their networks were built on a guaranteed-not-to-fail basis, no matter how inefficient at business they were, they had guaranteed profit. Therefore it's perfectly appropriate that we **use** that ubiquitous network to benefit all competitors - and therefore consumers - in local competition just as we did in long distance. Let's not **lose** sight of that while making tough choices.

The CLECs, if allowed to continue to prosper and gain market share for the next several years with low enough UNEP rates, will begin to reach critical mass in many small-to-medium cities and will build local networks to serve clients even better, just as LD networks did in the early **90's**. If you take away the requirement for decent discounts and/or the requirement for certain critical service elements from the UNE Platform, such as switching, **so** CLECs could not then gain many clients very quickly, **you** would then require the CLECs to go where for the money to build new networks? Wall Street? We've seen how viable that is for the last 2+ years. Building local networks is much more complicated, time-consuming and costly than building long-haul LD networks. Give UNEP time and you'll see it work. We'll have multiple competitive facilities all across America (except still not much wireline-based in rural areas). Don't kill a process that's working, as UNEP finally is. Instead, strengthen UNEP with requiring larger rural-area

discounts from **the** RBOCs to the CLECs

Finally, I see only two possible options to make real facilities-based competition work. The UNE-Platform should be firmly and permanently established as a viable service option for competitive telecom carriers, which will lead us relatively quickly into much more facilities competition since CLECs will actually have real customers, real cash-flow & real profits with which to justify the tremendous investment local facilities require.

Or you could break the RBOCs into two separate entities, wholesale and retail -which is actually my strongest preference, but I don't hold much hope that Congress and/or the FCC **8**PUCs will take this step. That's why I put **so** much time above into "voting" for UNEP, it seems quite realistic to be continued as is and/or improved and is the only real hope other than separation.

But, as for Structural Separation: combine all the wholesale entities nationwide into one huge Network Provider that is allowed to charge exact costs to maintain and build out the network as needed by any Retail LEC, but make no profit. All Retail LECs would then buy at the same costs for all elements as any other LEC, Bell retail included -they pay the same cost as all CLECs pay to the separate wholesale Provider. Then you'll have true parity in competition (except that the Bell Retail entities would still have the tremendous brand-name recognition advantage over all CLECs except AT&T). AND YOU WOULD SUDDENLY SEE A MASSIVE SHIFT IN THE RHETORIC COMING FROM THE RBOCs!! If a Bell retail unit (which Bell would make no difference) had to buy from the Wholesale Bell at the same rates as all CLECs, say the current UNEP rates, suddenly Retail Bell would NEVER make a claim that the UNEP rates were too low, as they now claim, in fact they would claim they are too high, especially in the **14** US West/Qwest states and rural areas.

Thank you very much for your time and attention to this critical matter. And thanks for the time to read my long discussion. I trust that you'll do the right thing for small businesses and consumers all across America by supporting full UNEP.

Sincerely,

David A. McClure, President
TeleCom Consultants, Inc.
Huntsville, AL
"The Finest in Telecommunications Services **8** Advice for over **12** years"
256-830-4549
Cell: **256-348-2907**

CC: Kathleen Abernathy, Michael Copps. KM KJMWEB, Commissioner Adelstein